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WESTERN EUROPE -- CANADA -- INTERNATIONAL ORGANIZATIONS

This publication is prepared for regional specialists in the Washington community by the Western Europe Division, Office of Current Intelligence, with occasional contributions from other offices within the Directorate of Intelligence. Comments and queries are welcome. They should be directed to the authors of the individual articles.

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Norwegian Aid Mission to Vietnam

The visit by a Norwegian aid delegation to North and South Vietnam may increase pressure from the left to raise the status of the South Vietnamese Provisional Revolutionary Government (PRG) office in Oslo.

A delegation that will probably consist of a Norwegian Aid Organization official and three members of parliament will travel to Saigon and Hanoi at the end of February as part of an aid study of the "three parts" of Vietnam, according to a Foreign Ministry official. In Hanoi, the delegation is expected to meet representatives of the PRG to discuss aid projects.

One of the parliamentarians slated for the trip is Paul Thyness, an outspoken critic of Norwegian foreign policy. The government is worried that Thyness will use the Saigon visit to attack a government decision to give one third of its Vietnam aid to the PRG. Such criticism could touch off PRG sympathizers at home and force renewed discussion of the question of upgrading the PRG information office.

The status of the PRG information office is currently being reviewed by the Norwegian government. Although Oslo will probably follow the Swedish example and upgrade the office to a general delegation, one step short of full recognition, Oslo clearly does not want to be pushed on the issue. (Confidential)

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Italian Christian Democrats and Communists in Venice Initiate Limited Collaboration

The recent decision of the center-left government in Venice to collaborate formally with the Communist party on major municipal legislative programs will be used by the Communists as a precedent to encourage more cooperation between themselves and the governing parties at both the local and national levels.

The Communists will not actually enter Venice's municipal government which consists of Christian Democrats, Socialists, and Social Democrats. They will, however, participate in the formulation of municipal legislative proposals which they will then be expected to support with their votes in the municipal council. This is the first time that local Christian Democratic and Communist organizations have entered into such a pact, although informal consultations have taken place for years in some localities and at the national level.

The agreement in Venice came about largely over efforts to decide how to use a \$150 million grant from the national government to halt the decay of Venice's historical area. Leftwing Socialists in the city government reportedly refused to vote with their party and the others on a plan for the use of the money unless the Communists were given a larger voice in city government.

The mayor of Venice belongs to one of the Christian Democrats' left-wing factions that favor improved relations with the Communists. The need to act on the grant, which would apparently have been lost if not used soon, minimized the risk of censure from Christian Democratic headquarters.

The party leadership, however, was quick to condemn the pact, and predicts that the

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Venetian mayor will not get away with it. He claims that a way will be found to force the resignation of the municipal government in the near future, thus terminating the accord.

Left-wing Christian Democrats in Rome, however, were pleased, as were left-wing Socialists who gave unrestrained approval. The Socialist party leadership--which lately has shown more interest in boosting Socialist influence than in pleading the Communists' case--was more subdued and treated the development in a matter-of-fact way. The strongly anti-communist Social Democrats, whose Venice organization approved the deal, tried to put the best face on it by stressing Venice's special problems.

The Communists are delighted because the agreement is in line with their strategy of working gradually toward a rapprochement with the Christian Democrats. They tried unsuccessfully to entice the Christian Democrats into a similar arrangement last September in the Communist stronghold of Bologna. (Confidential)

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EC Members Oppose Preferential Treatment for Iran

Most EC members, as well as the EC Commission, continue to oppose a preferential trading arrangement with Iran despite France's recent commitment in Tehran to support such an arrangement. An EC-Iran agreement is thus unlikely to be concluded in the near future.

Foreign Ministry officials in the UK, Italy, Luxembourg, and the Netherlands firmly oppose preferential arrangements beyond those now being negotiated with Mediterranean and African, Caribbean, and Pacific countries. The Italians, in fact, resisted strong Iranian pressure to include a statement supporting preferential treatment in the communique following President Leone's recent visit to Iran.

Irish and Belgian officials have said they are unlikely to support the French position and doubt that any agreement can be reached. The Belgians view the French commitment as detrimental to Western consumer solidarity in future discussions with oil-producing states.

Bonn has been very cautious in its initial reaction to the French position. Although no official statement has been made, a Foreign Ministry official has stated that West Germany feels bound to respect the provisions of the informal EC-US agreement restricting the proliferation of preferential agreements beyond the Mediterranean.

So far there has been no reaction from the Danes, who have been most active in the past in pressing for favorable treatment for Iran. They may be waiting until the new Danish government takes over after elections on January 9.

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EC Commission officials have expressed their continued opposition to an EC-Iran agreement. Fearing further Iranian approaches to individual EC members, however, the Commission has suggested that the US both take a strong line with Tehran and argue with EC members that opening the door to Iran would make it impossible to refuse EC preferences to other countries presently excluded.

Even the French now describe their commitment in Tehran as largely symbolic and say they will not pursue the issue within the EC. They maintain that French negotiators only agreed to "support the conclusion of an agreement", not to initiate any action. Paris has also stated its hope that the US would not interpret French action as constituting a breach in consumer solidarity. (Confidential No Foreign Dissem)

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